



Monthly Macroeconomic Review

Prepared by
Polish Chamber of Commerce

Updated on 29/04/2022

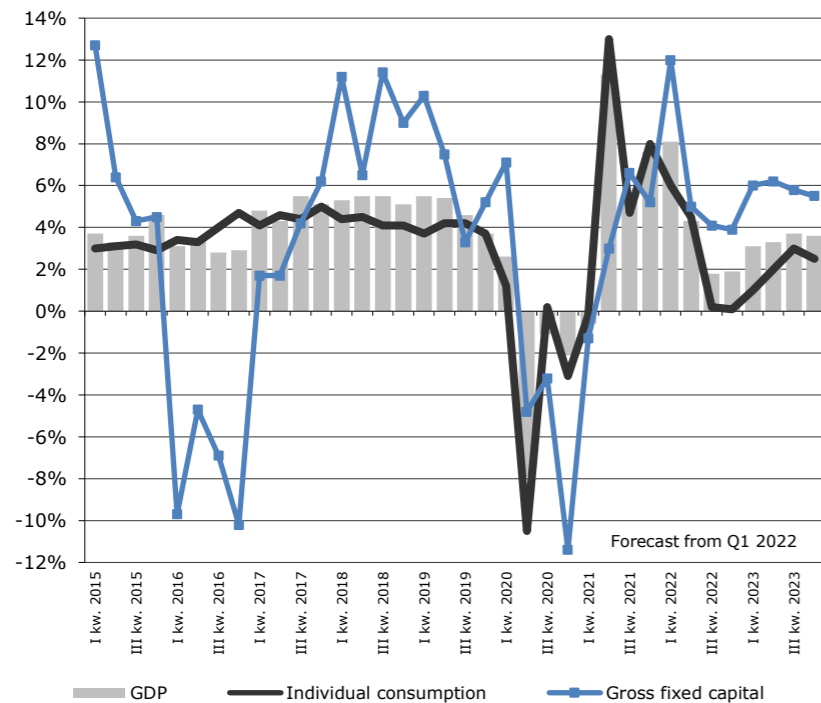
Macroeconomic forecast

Monthly macroeconomic indicators	09.2021	10.2021	11.2021	12.2021	01.2022	02.2022	03.2022	04.2022	05.2022	06.2022	07.2022	08.2022	09.2022
Industrial sales, % real change, y/y	8,8%	7,8%	14,8%	14,2%	19,2%	17,6%	17,3%	12,2%	12,7%	5,2%	6,0%	5,0%	6,0%
Construction, % real change, y/y	4,3%	4,2%	12,7%	3,1%	20,9%	21,2%	27,6%	14,1%	8,5%	5,2%	3,1%	4,0%	6,0%
Retail sales, % nominal change, y/y	11,1%	14,4%	21,2%	16,9%	20,0%	16,5%	22,0%	28,8%	17,6%	16,6%	15,5%	15,4%	14,9%
Consumer prices, % change, y/y	5,9%	6,8%	7,8%	8,6%	9,4%	8,5%	11,0%	12,3%	13,1%	14,2%	14,3%	14,4%	14,0%
Producer prices, % change, y/y	10,3%	12,0%	13,6%	14,4%	16,1%	16,1%	20,0%	17,5%	15,9%	14,4%	12,4%	11,5%	11,1%
Wages - enterprise sector, % nominal change, y/y	8,7%	8,4%	9,8%	11,2%	9,5%	11,7%	12,4%	12,5%	12,7%	12,5%	12,3%	11,8%	11,4%
Wages - enterprise sector, PLN	5 841	5 917	6 022	6 644	6 064	6 220	6 666	6 532	6 356	6 528	6 573	6 534	6 508
Registered unemployment rate	5,6%	5,5%	5,4%	5,4%	5,5%	5,5%	5,4%	5,2%	5,1%	5,0%	4,9%	4,8%	4,8%
Number of registered unemployed persons, thousand	935	911	899	895	927	922	902	865	855	837	819	804	808
Current account balance, EUR million	-1 817	-1 166	-1 077	-2 491	-638	-2 871	-2 618	-1 117	-1 484	-1 307	-1 510	-871	-1 355
Current account balance, EUR million, rolling annualised basis	4 787	2 071	-304	-3 546	-7 024	-10 171	-12 913	-15 312	-17 287	-18 130	-18 623	-18 967	-18 505

Macroeconomic forecast

Quarterly macroeconomic indicators	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23
Gross domestic product , % real change y/y	-7,9%	-1,1%	-2,1%	-0,6%	11,3%	5,5%	7,6%	8,1%	4,3%	1,8%	1,9%	3,1%	3,3%
Individual consumption , % real change y/y	-10,5%	0,2%	-3,1%	-0,2%	13,0%	4,7%	8,0%	6,0%	4,5%	0,2%	0,1%	1,0%	2,0%
Gross fixed capital , % real change y/y	-4,8%	-3,2%	-11,4%	-1,3%	3,0%	6,6%	5,2%	12,0%	5,0%	4,1%	3,9%	6,0%	6,2%

GDP components in terms of demand - y / y



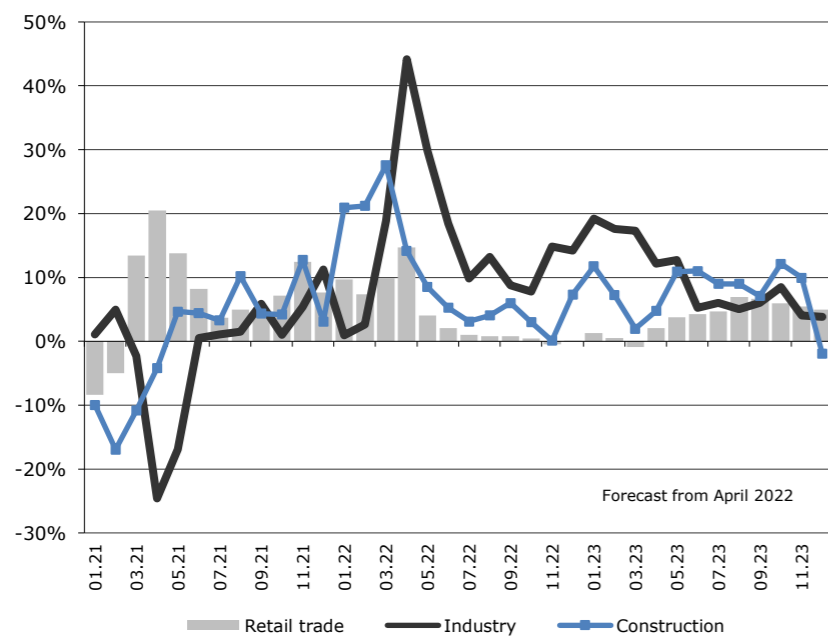
The Central Statistical Office presented revised data on GDP dynamics for the whole year 2021. The increase in real terms amounted to 5.9% after a decrease of 2.2% in 2020. The increase turned out to be better than expected by the market.

In the fourth quarter of 2021, the GDP dynamics amounted to 7.6% y / y. In the first quarter of 2022 it could reach 8.1%, and in the second quarter it will amount to 4.3%.

Throughout 2021, GDP in nominal terms amounted to PLN 2,622 billion (EUR 574 billion).

For 2022, the GDP dynamics is projected at 3.8%. In nominal terms, GDP will amount to PLN 3,030 billion (EUR 668 billion).

Industry, construction and retail trade y / y (real)



In March, industrial production increased in real terms by 18.2%. The increase was seasonal. The annual dynamics of production decreased to 17.3% from 17.6% in February. The industry's results in March were clearly better than expected. In the period January - March 2022, industrial production was 16.7% higher than in the corresponding period of 2021.

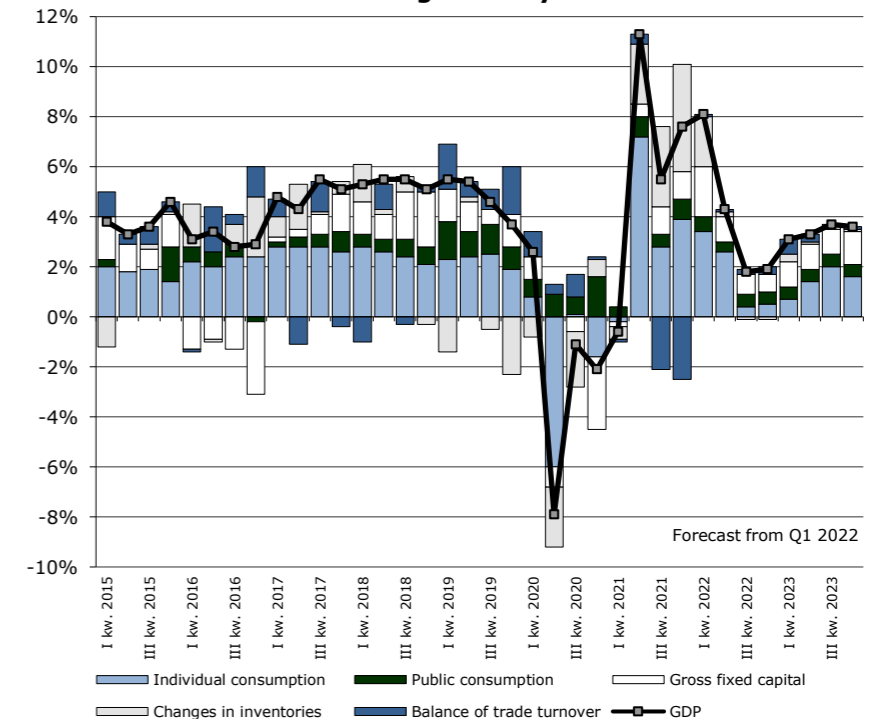
In March, construction and assembly production turned out to be 41.4% higher than in February. A strong increase in sales in March is typical. The annual dynamics of construction and assembly production increased from 21.2% in February to 27.6% in March. The construction results in March were higher than expected. In the period January - March 2022, construction and assembly production was 23.3% higher than in the corresponding period of 2021.

Retail sales in March in nominal terms turned out to be 22.0% higher than in February. The strong sales growth recorded in March is seasonal. The annual sales dynamics increased from 16.5% in February to 22.0% in March. March's results were better than expected. In the period from January to March 2022, retail sales were nominally 19.1% higher than in the corresponding period of 2021.

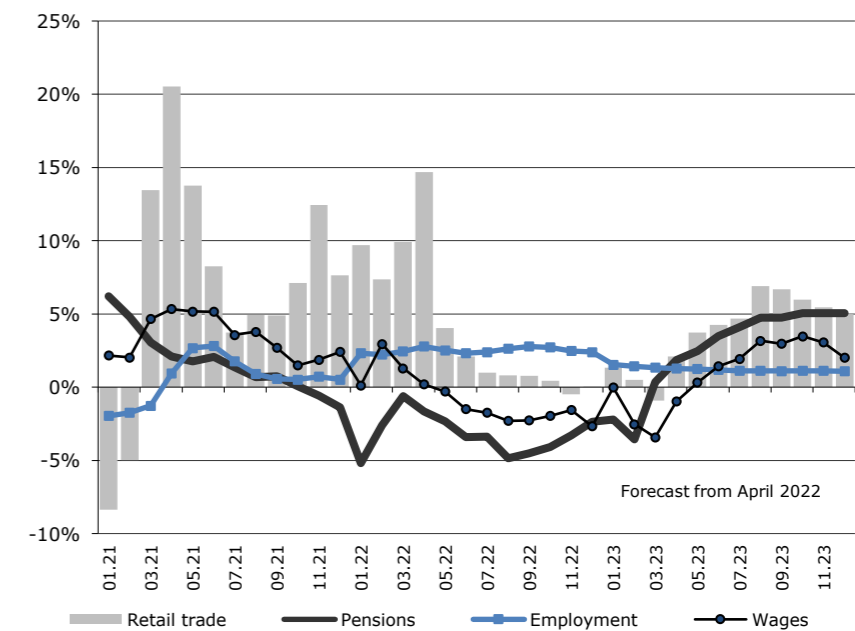
GROSS DOMESTIC PRODUCT AND ITS COMPONENTS

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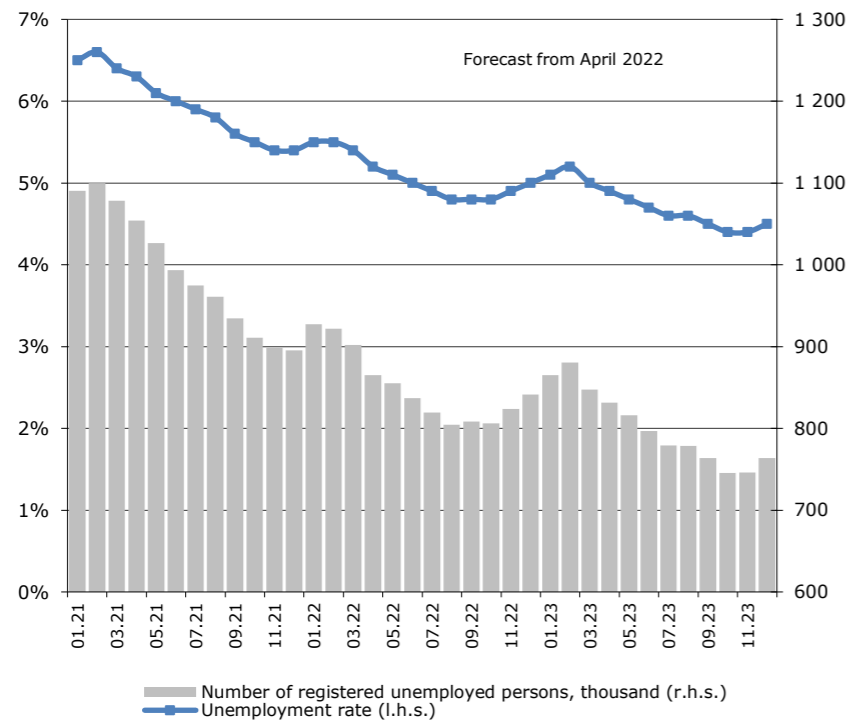
Scale of impact of GDP demand components on economic growth dynamics



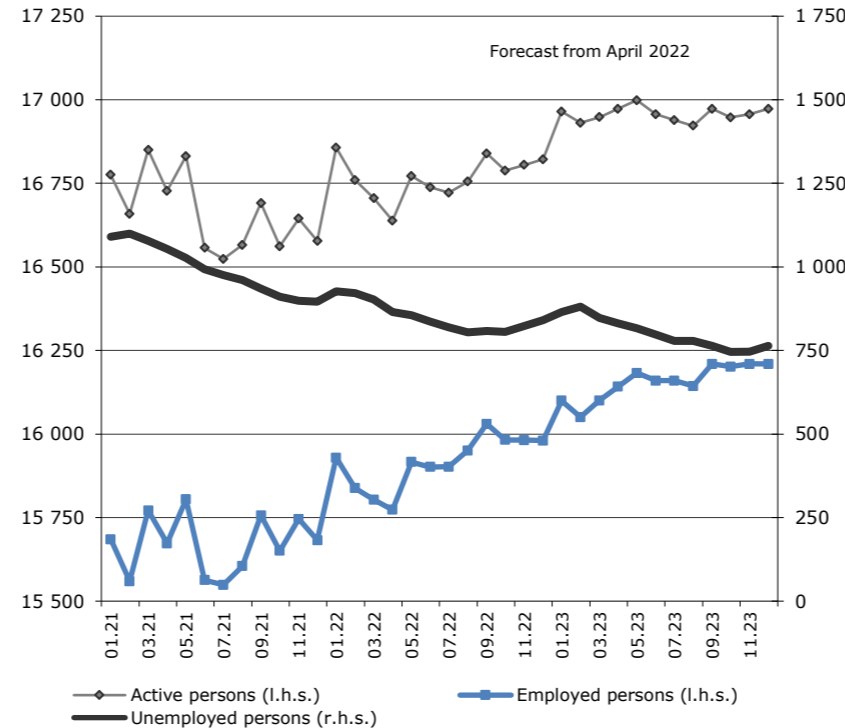
Comparison of annual real dynamics: retail sales and gross wages in the enterprise sector as well as pensions and employment



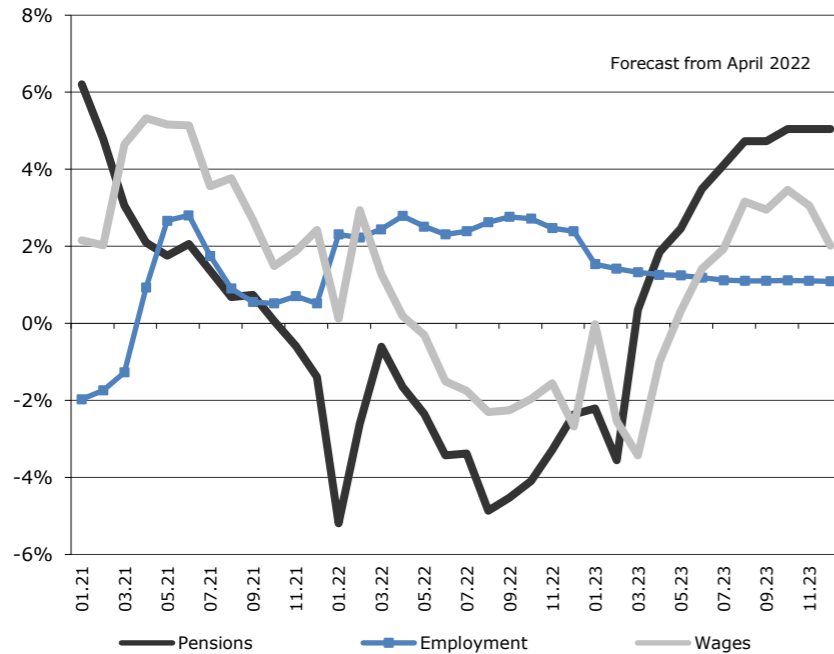
Registered unemployment



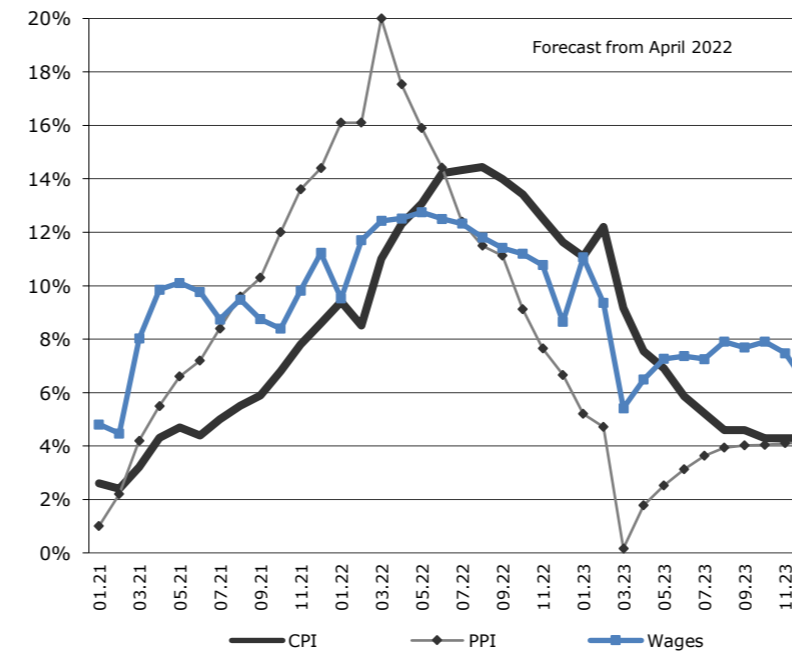
Labor activity



Real dynamics of gross wages in the enterprise sector and pensions against the background of employment growth in the enterprise sector



CPI, PPI, Wages - y / y



In March, the number of registered unemployed fell by 19.7 thousand, up to 902.1 thousand people. The unemployment rate was 5.4%. The unemployment rate was lower than in February by 0.1 percentage point. A year ago, in March, the unemployment rate was 6.4%. March usually brings an improvement in unemployment statistics. There is a demand for seasonal work in construction, agriculture and tourist services. March data were worse than expected.

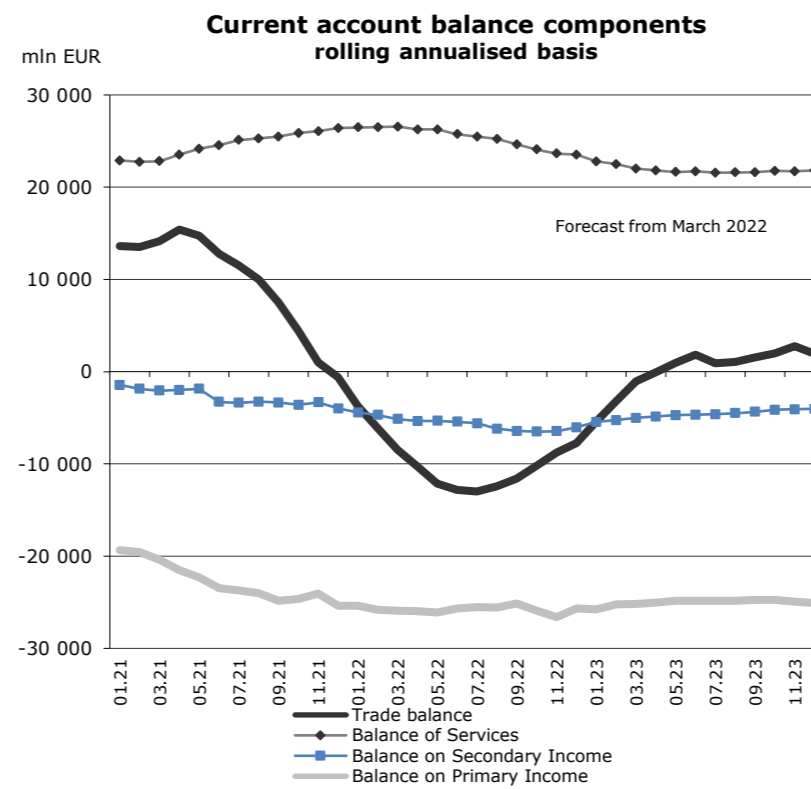
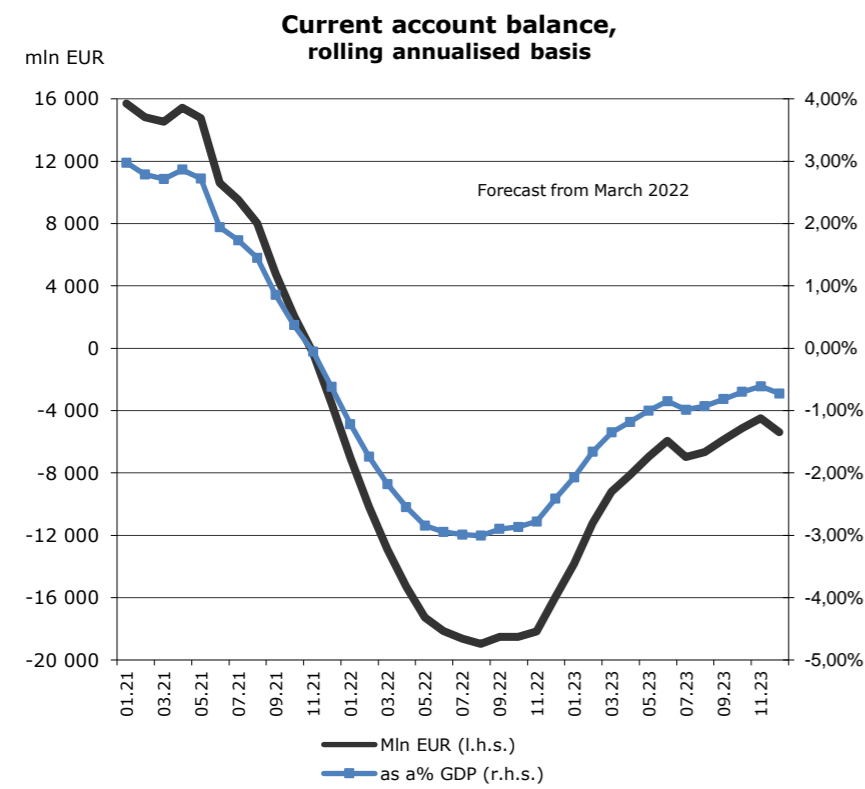
The number of employed persons in March amounted to approximately 15,804,000 people. It was about 32 thousand, ie 0.2% higher than last year.

Spring and summer will bring a drop in unemployment. The local minimum is expected in October, when 810,000 will be unemployed people and the unemployment rate will be 4.8%. At the end of 2022, the unemployment rate will amount to 5.0%, and the number of unemployed will amount to 840,000.

In March, the prices of consumer goods and services turned out to be 3.3% higher than in February. Prices tend to rise in March, but not that much. February's result was clearly worse than expected. Prices have increased significantly in, among others, groups: transport, clothing and footwear, home use and energy, food, health, restaurants and hotels, alcohol and tobacco, household equipment, education, communication. Prices fell in only one group: recreation and culture. In March, the prices of goods and services turned out to be 11.0% higher than in the previous year. In February, prices were 8.5% higher than in the previous year. In the period from January to March 2022, prices were on average 9.1% higher than in the corresponding period of 2021. In April, a strong increase in the annual inflation rate is expected again.

Industrial prices rose by 4.9% in March. Industrial prices in March were on average by 20.0% higher than a year before (in February by 16.1%). The weakening of the zloty valuation had a significant impact on the change in prices. In the period of January-March 2022, industrial prices were on average 17.4% higher than in the corresponding period of the previous year. In the coming months, the annual growth in industrial prices may gradually decline due to slower increases in commodity prices.

In March, the average wage in the enterprise sector amounted to PLN 6,665.64. It was thus PLN 445.60, ie 7.2% higher than in February. It was also PLN 736.59 and 12.4% higher than in March of the previous year. The wage growth recorded in March is seasonal. The level of wages in March was higher than expected. Changes in the level of economic activity will affect the level of wages in the coming months. Changes in the employment structure between individual industries and in individual enterprises will be important.



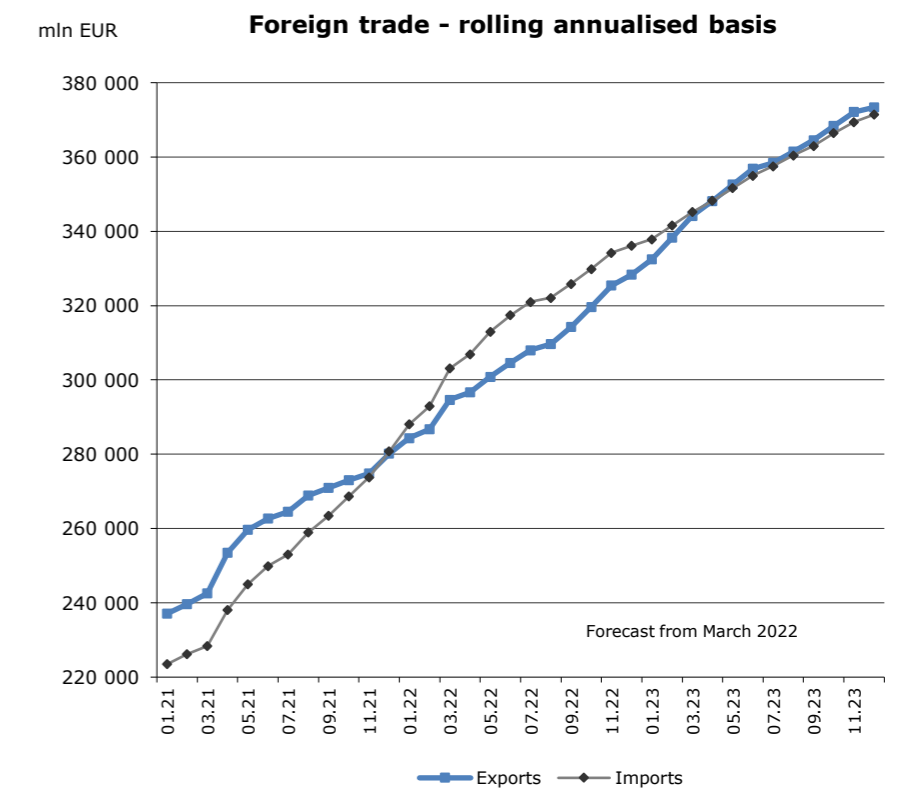
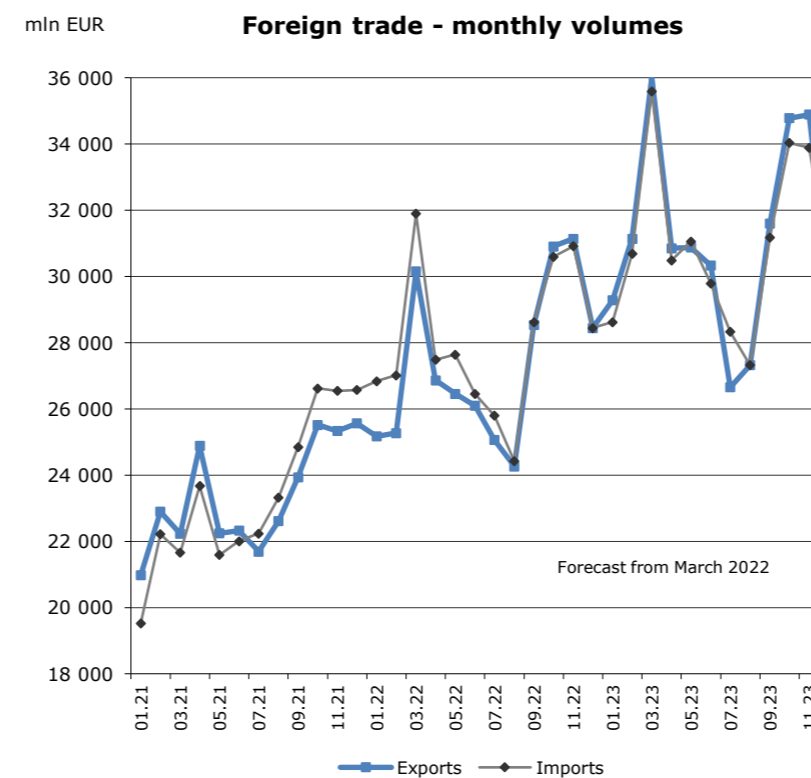
(mIn EUR)	II 2021	I 2022*	II 2022
Current account balance	276	-638	-2 871
Exports	22 894	25 166	25 270
Imports	22 211	26 835	27 011
Trade balance	683	-1 669	-1 741
Balance on Services	2 227	2 354	2 253
Balance on Primary Income	-2 047	-369	-2 510
Balance on Secondary Income	-587	-954	-873

*Corrected data

At the beginning of April, the National Bank of Poland presented estimated data on the balance of payments in February. The current account balance in February 2022 was negative and amounted to EUR -2,871 million. In the previous month, there was a deficit of -EUR 638 million. A year ago, a surplus of EUR 276 million was recorded.

After February, the current account balance on a rolling annual basis was negative and amounted to EUR -10 171 million. Its level in relation to GDP was -1.74%. In the last 12 months, exports of goods amounted to EUR 287 billion, and exports of services amounted to EUR 70 billion.

The export of goods is now comparable with 49.0% of GDP. It is a high value for a country with a population and area of Poland. The export of services is comparable to 12.0% of GDP, which should also be considered a very good result. These indicators are much better than those recorded before the beginning of the crisis.



Macroeconomic forecast

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - monthly	09.2021	10.2021	11.2021	12.2021	01.2022	02.2022	03.2022	04.2022	05.2022	06.2022	07.2022	08.2022	09.2022
International reserves, EUR million	143 940	144 069	146 719	146 576	144 152	143 730	142 056	143 476	142 759	144 186	147 791	151 486	153 001
International reserves in the months of import of goods and services	5,71	5,60	5,60	5,45	5,23	5,13	4,91	4,90	4,79	4,77	4,85	4,95	4,95
International reserves as a% of money supply	34,8%	34,4%	34,8%	34,0%	33,8%	34,0%	32,9%	33,3%	32,9%	32,7%	33,0%	33,3%	33,3%
Current account balance, EUR million, rolling annualised basis	4 787	2 071	-304	-3 546	-7 024	-10 171	-12 913	-15 312	-17 287	-18 130	-18 623	-18 967	-18 505
Current account balance, as a% of GDP, rolling annualised basis	0,86%	0,37%	-0,05%	-0,62%	-1,22%	-1,74%	-2,18%	-2,55%	-2,84%	-2,95%	-2,99%	-3,01%	-2,90%
Inflow of foreign direct investment - rolling annualised basis, EUR million	26 884	25 196	25 366	27 903	27 847	26 553	24 002	23 138	22 569	22 250	19 729	18 069	15 829
Inflow of foreign portfolio investment - rolling annualised basis, EUR million	-5 019	2 598	-5 031	-5 403	-6 450	-6 373	-6 422	-6 237	-5 479	-7 069	-7 988	-8 661	-8 203

Macroeconomic forecast

WARNING INDICATORS AGAINST FOREIGN CURRENCY CRISIS - quarterly	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23
Total external debt, EUR million	301 734	305 694	308 829	309 937	317 105	320 374	322 000	322 650	323 300	323 450	323 600	323 750	323 900
Long-term external debt, EUR million	171 166	170 023	171 673	169 594	174 063	169 829	171 000	171 250	171 500	171 250	171 000	170 750	170 500
Short-term external debt, EUR million	43 066	49 378	48 077	48 935	48 909	53 958	54 200	54 400	54 600	54 800	55 000	55 200	55 400
External debt - Direct investment debt instruments, EUR million	87 502	86 293	89 079	91 408	94 133	96 587	96 800	97 000	97 200	97 400	97 600	97 800	98 000
External debt as a% of GDP	57%	58%	58%	57%	57%	56%	54%	52%	51%	49%	48%	46%	45%
External debt as a% of export	132%	130%	127%	118%	117%	114%	109%	106%	103%	99%	94%	91%	89%
International reserves as a% of total external debt	39%	41%	44%	43%	45%	46%	44%	45%	47%	50%	51%	50%	51%
International reserves as a% of short-term external debt	277%	254%	280%	274%	294%	272%	262%	265%	280%	293%	299%	294%	299%

The current account has been negative in recent months. In the last 12 months, it was comparable to -1,74% of GDP.

Recent quarters have seen a simultaneous inflow of direct investment to our market and an outflow of portfolio investment. The outflow of portfolio investments is a consequence of the change in the State debt management policy. Debt is issued mainly to domestic entities, and less to foreign investors.

Foreign exchange reserves are high. Their level is adequate to the volume of imports of goods and services (4,91 months of imports of goods and services), money supply (32,9%) and external debt (46,0%).

Foreign debt is growing slowly. The ratio of external debt to GDP (currently 56%) and goods exports (currently 114%) is declining. The ratio of external debt to GDP and exports is low.

